

1                                   **Virginia Workforce Council**  
2                                   **At the Virginia Housing Development Authority**  
3                                   **Richmond, Virginia**  
4                                   **May 9, 2006**  
5                                   **Minutes**

6  
7    I.       Call to Order – Chair Marjorie M. Connelly

8                   Chair Connelly called the meeting to order. Chair Connelly  
9                   introduced Mr. Dreyfus as the Vice Chair of the Council, with  
10                  thanks for being willing to take on that responsibility.

11  
12   II.      Roll Call – Members Present

13                  Marjorie Connelly, Chair

14                  Mark Dreyfus, Vice Chair

15                  Huey Battle

16                  Elwood Boone

17                  Delegate Kathy Byron

18                  Dr. Glenn DuBois

19                  Dolores Esser

20                  Richard Gonzalez

21                  Secretary Patrick Gottschalk

22                  Lovey Hammel

23                  James Leaman

24                  Guillermo Meneses

25                  Robert Myers

1 Hiawatha Nicely  
2 Doyle Rasnick  
3 Rita Ricks  
4 The Honorable Larry Rogers  
5 The Honorable Don Sullenberger  
6 Secretary Marilyn Tavenner  
7 James Underwood  
8

9 III. Approval of the Minutes – Chair Connelly

10 The minutes of the December 6, 2005 meeting were approved.  
11

12 IV. Welcome to Daniel LeBlanc

13 Chair Connelly welcomed Daniel LeBlanc in recognition of his new  
14 role at the Council. Mr. LeBlanc thanked Chair Connelly for her  
15 service to the Commonwealth in the past and also on behalf of the  
16 Governor and for continuing on as the Council Chair. Mr. LeBlanc  
17 remarked that Chair Connelly had done an outstanding job for the  
18 people of the Commonwealth and for the people that were  
19 responsible both for the workers and the business community and  
20 the general good of the Commonwealth and he stated he was  
21 looking forward to working with Chair Connelly over the next four  
22 years. Mr. LeBlanc also offered congratulations on Chair  
23 Connelly's new job.  
24

25 Mr. LeBlanc remarked on serving on the Council for a number of

1 years as a member of the Council and chair of various committees  
2 and task forces. Mr. LeBlanc stated that the Governor asked him to  
3 come forward to be a member of this Council in another way. As a  
4 result of the Byron Commission, that a number of the Council  
5 participated in, legislation was evolved that this Council supported  
6 and it is now as a matter of law that on July 1, there will be a  
7 position created in the Governor's immediate staff titled Senior  
8 Advisor for Workforce. That position is responsible for trying to  
9 collaborate across all the various agencies of state government, at  
10 least four cabinet secretariats to put the Workforce package together  
11 in a seamless way inside and outside state government and working  
12 in partnership with the sixteen Workforce Investment Boards across  
13 the Commonwealth. Mr. LeBlanc stressed that this position is  
14 important to the workers, the business community and our ability to  
15 attract and retain businesses and for the general good.

16  
17 Mr. LeBlanc thanked Secretary Gottschalk and Secretary Tavenner  
18 for their presence and also Secretary of the Commonwealth Kate  
19 Hanley and her staff Denise Goode who worked with everyone on  
20 their appointments or re-appointments to the Council. Mr. LeBlanc  
21 stated that he met with the Governor about his goals for the Council  
22 and the Governor has nineteen basic questions of the Council, with  
23 the two most important questions being at the end of the day, will  
24 we have a system that delivers in a seamless manner the best  
25 possible product, the best possible service to the user both on the

1 worker side of the equation and the business side of the equation.

2

3 Mr. LeBlanc stated that he has spent a lot of time recently with the  
4 Governor and that the Governor is committed to help the distressed  
5 areas of the Commonwealth and commented that the Governor will  
6 speak on the situation with Ford in Norfolk. Mr. LeBlanc stated  
7 that he was really honored to be able to be there as a part of this  
8 team again and to work for our Governor.

9

10 V. Public Comment – Chair Connelly

11 There were no public comments.

12

13 VI. New Member Orientation – Chair Connelly

14 Chair Connelly explained that the Council is involved in many  
15 different issues and there is a lot of activity that the new members  
16 may find tricky to sort through because the Council is partly made  
17 to fulfill requirements from a federal perspective as well as what is  
18 required from a state perspective in addition to accomplishing the  
19 right thing to do. Chair Connelly requested that new members not  
20 hesitate to ask questions and speak up during or after the meeting.  
21 Secondly, Chair Connelly stated that the off-site meeting will  
22 probably contain a more in-depth training session for the new  
23 members.

24

25 VII. Workforce Challenge Perspective and Public Policy Response

1 The presenter stated that unless the skills gap within the United  
2 States is closed and employers can find the workers they need and  
3 job seekers have the skills to pursue the opportunities that exist then  
4 America's economy will remain extremely vulnerable. The stakes  
5 are high, freedom of trade and commerce, personal and political  
6 liberty and national and individual security. The presenter stated  
7 that we have moved from the agricultural age when the value added  
8 was physical labor and the industrial age where the value added was  
9 transforming natural resources into machines and we are clearly in  
10 the knowledge age. And the many challenges that we face as a  
11 country because we have vast disparities in the country and in the  
12 state in regard to knowledge, particular knowledge on the part of  
13 adults in the workforce and knowledge in the pipeline.

14  
15 A chart from the National Summit on Skills for 21<sup>st</sup> Century Jobs  
16 showed the market difference in terms of what was required in  
17 unskilled labor in 1950 it is an almost identical switch to what is  
18 now required of skilled labor in 1997 and beyond. Virginia faces  
19 unprecedented competitive challenges including advances in  
20 technology and critical regional skill disparities. For example  
21 taking a look at Danville, which typifies nearly every city and  
22 county and region, the majority of people who are working age  
23 people over age 25 either do not have a high school diploma or  
24 have not finished ninth grade or only have a high school diploma or  
25 GED and the minority of people who are working age have more

1           than a high school diploma. Education level can be a proxy for  
2           skill. We face a big challenge for people who are incumbent  
3           workers who will be in the workforce for the next 20 years.

4  
5           Employers have told us what they think the workforce challenges  
6           are including the pipeline challenges in terms of math and science  
7           competencies and the remediation needed for high school graduates  
8           in math and science, retraining of incumbent workers, and  
9           transitioning workers in declining industries.

10  
11          Public policy response at the federal level is important especially  
12          today since it is designed to be very flexible so that the states can  
13          massage it and use it in a way that accommodates the individual  
14          states and regions. This is the Workforce Investment Act (WIA).  
15          One of the things is that the public policy response suggests that  
16          there has to be systemic response, that our economy can no longer  
17          have fragmented responses to the issues we face. This provides  
18          opportunities for innovation, partnering in an environment of  
19          declining resources, and the leveraging resources. This legislation  
20          is very large and does a number of things to give the states the tools  
21          to do the system-building, the partnering and the leveraging of  
22          resources. This is a major departure in federal workforce policy  
23          over the last forty years, devolving the policy and the decision-  
24          making to the state and local level with regional labor markets  
25          crossing political boundaries requiring tremendous latitude and

1 flexibility. Montana and Virginia are very different as well as  
2 Northern Virginia and Tidewater and Southwest Virginia requiring  
3 flexibility and latitude to address the myriad of problems. The  
4 vision is much larger than the legislation and is supposed to be a  
5 state vision.

6  
7 WIA does five things. It creates a state workforce development  
8 system, which is really a governance, policy and leadership model.  
9 It creates a local one-stop service delivery system. It creates three  
10 local programs. It amends three other pieces of federal legislation  
11 that are related to labor markets and workforce development. And  
12 it authorizes five national programs. The intent goes beyond  
13 individual programs. A statewide system with a partnership at the  
14 state level between the governor and this Council and there is a  
15 similar model at the local level. The delivery system that is  
16 envisioned by this model really is the cornerstone and a host of  
17 partners, which are state and local programs and private sector  
18 programs that have to come together to provide an array of service  
19 in these centers.

20  
21 The public policy challenge to the state as this Council deliberates  
22 as is deliberated at the local level first is to capture the window of  
23 opportunity that is provided by the legislation, which allows for  
24 creativity and an employer-led system-building. Providing the state  
25 leadership with local flexibility based on partnerships, create an

1 effective local system and primarily to bring rigor to the terms  
2 partner, cross-sharing and access. There are a host of additional  
3 challenges in terms of changing the mind-set since the last 40 years  
4 in employment training was accomplished with a conglomeration of  
5 programs. Every state is trying to build a system, the whole issue  
6 of skill standards that employers are looking for, serving special, at-  
7 risk populations and making sure the array of services that are  
8 provided for the universe of Virginia citizens are provided  
9 adequately and effectively for special populations. A chart showed  
10 a bunch of parts trying to exist in the universe together but again  
11 that is part of the challenge in building the system and trying to  
12 make sense out of it all.

13  
14 In terms of how we started here in Virginia, for about twenty years  
15 we studied the issue, we had a number of legislative studies and  
16 executive branch studies. We examined the issues critically. In  
17 1998, the legislature set up the State Workforce Training Council to  
18 work with the community college system in regard to workforce  
19 training. Later in 1998, Governor Gilmore designated  
20 responsibility for the WIA under the Secretary of Commerce and  
21 Trade and the agency for implementation was the Virginia  
22 Employment Commission and later codified by the General  
23 Assembly in 1999. The important thing about this decision here in  
24 Virginia was that prior to this time for about eighteen years this  
25 function had been under Health and Human Resources and a



1 conscious decision was made to move this function to Commerce  
2 and Trade to further promote the alignment with economic  
3 development and business. Another conscious decision at that time  
4 was to put four cabinet members, now three members, on this  
5 Council so that you would have the highest level of functional  
6 policy decision-making present on this Council all the time. The  
7 state began implementation of the Workforce Investment Act in  
8 2000. This Council developed its first strategic plan in 2002. And  
9 as Mr. LeBlanc mentioned that under Delegate Byron's leadership  
10 last year the General Assembly formed a sub-committee to look at  
11 this whole issue of workforce coordination, collaboration and  
12 consolidation and there was legislation introduced by Delegate  
13 Byron and Senator Ruff in the previous General Assembly in  
14 January and that legislation passed and has been signed by the  
15 Governor, which will lead to another major phase of workforce  
16 development policy here in Virginia.

17  
18 The whole notion of this model is for it to be business-led. Again,  
19 because the private sector is the prime mover in the labor market.  
20 That is where the majority of the jobs are. So the business-led  
21 Council will work in partnership with public policy to address this  
22 issue. There are several duties including provide policy direction to  
23 the local workforce investment boards in building the one-stop  
24 service delivery system since that is where the service to the  
25 customer occurs, skills forecasting and advising the Governor on

1 workforce policy.

2  
3 Under the broad direction of the state, a strategic partnership  
4 between the local elected officials and local Workforce Investment  
5 Boards (WIBs) in seventeen workforce areas, very similar to the  
6 partnership at the state level between the Governor and this Council  
7 is envisioned. The key things that the local WIBs do is to  
8 strategically plan and align resources to ensure the economic  
9 prosperity of that region and to develop the one-stop delivery  
10 system, the cornerstone of the legislation, meant to simplify and to  
11 expand access to services and to have a seamless service delivery  
12 system. Partnerships, leveraging resources, and sharing resources  
13 are critical to the system. Services cannot possibly be delivered as  
14 they were twenty and thirty years ago.

15  
16 There are five one-stop elements that are important to understand.  
17 The one-stop system that the public officials at the local level in the  
18 WIBs build, the partners, the programs, the actual physical  
19 locations and the services that are offered in those centers. A vision  
20 of what it looks like shows a host of programs and the resources  
21 come together in this one place, either physically or electronically,  
22 to provide a seamless array of services for Virginia citizens. We  
23 have seventeen Workforce Investment Areas around the state. We  
24 have 37 of what we call comprehensive centers. We also have 30  
25 satellite centers and 15 informational centers, which make up about

1 82 different locations around the state offering a vast array of  
2 services. As David Sampson said, we have a bright future if we can  
3 develop a well thought out strategy to transform our workforce and  
4 economic development systems into an integrated culture of  
5 performance and entrepreneurship.

6  
7 A portfolio was provided that included the annual conflict of  
8 interest and financial statements, travel regulations and the Freedom  
9 of Information Act. All business done by this Council is public  
10 business and so there are various stipulations that we have to abide  
11 by in that regard. Please bring this portfolio to the retreat.

12  
13 VIII. Travel Regulations – Carol Abbot

14  
15 All travel expenses must conform to the state regulations, which are  
16 extremely specific. Travel accounts are open for public review and  
17 we must be able to sustain any public review and to make sure that  
18 any reimbursement that we pay any state traveler conforms. You  
19 were all mailed a package which has the original forms in it and  
20 there are also copies here. Ms. Abbot went over the handouts so  
21 that you'll understand what each of these forms are for. Included  
22 were the current meal and incidental rate tables for overnight stays  
23 showing the standard hotel rate and also specific cities and those  
24 specific rates to those cities. Also the table is down at the bottom  
25 for the meal and incidental reimbursement and the trick here is on

1 the day that you are traveling to or coming back from an overnight  
2 stay, you can only claim 75% of the meal rate. Also, if at any of  
3 these conferences a specific meal is provided for you as part of this  
4 conference, you need to deduct that amount from the total meal and  
5 incidental reimbursement. Each meal is broken out for each of the  
6 areas for you.

7  
8 There is also a direct deposit enrollment form. It was mandated that  
9 all state travel for more than twice in a fiscal year be paid by direct  
10 deposit. So you will all need to enroll in that and send the forms to  
11 our WIA unit who will forward them to me and I will forward them  
12 to the state treasury for you. All the reimbursements will be done  
13 by direct deposit and once you are set up there is another handout  
14 there for Ready Virginia the state system where you will be able to  
15 track your own reimbursements since you will not get a direct  
16 deposit stub from Treasury. So first, once you're set up, you're  
17 going to see a penny deposited into your bank account from the  
18 Commonwealth. That's when you know Treasury has activated  
19 your direct deposit. Once you have done that, if you will follow the  
20 instructions on the handout for Ready Virginia you will be able to  
21 track all your reimbursements as we make them. Members who  
22 have already done that do not have to do it again.

23  
24 A state travel reimbursement voucher is included and is the form  
25 that must be used for every reimbursement claim that is sent in. Fill

1 it out with your name, address, Social Security number and be sure  
2 to sign it and date it, the auditors look for the date you signed it.  
3 Once you do that, you must include all original receipts for hotels  
4 or for any expense that is over \$10. So if you park in a parking lot  
5 in downtown Richmond and it is \$12, you must submit a receipt. If  
6 it is \$9, you do not need one. Current mileage reimbursement is at  
7 32 ½ cents a mile, if it changes I will inform the the WIA unit and  
8 they will let you know. A good thing to remember is that the  
9 difference between the state rate and the Internal Revenue Service  
10 rate for your personal income taxes you can deduct. Travel  
11 reimbursements should be submitted monthly. There are deadlines  
12 for the state and for the federal that are not the same. Send  
13 completed travel vouchers to the WIA unit, they will approve them,  
14 send them to my staff where they will go through the final approval  
15 process. It typically takes five days and the reimbursement will be  
16 in your bank account from the time we get it.

17  
18 IX. Virginia Workforce Council History – Chair Connelly

19  
20 We've been organizing ourselves for the last couple of years around  
21 five broad strategic objectives. Those broad objectives were: 1) to  
22 increase the integration and alignment of the various parts of the  
23 system. In a nutshell it was to try to create a system having defined  
24 interactions with some synergies, clear roles, responsibilities, etc.  
25 Chair Connelly referred to a document that showed the Fiscal 2004

1 year Virginia Workforce System. The first year we focused a bit  
2 more at the state level and the second year a little bit more about  
3 what was going on within specific regions or the local system. 2)  
4 Improve the delivery of service at the local level. The predominant  
5 service delivery structure is the one-stop, the governor of those one-  
6 stops is our local WIBs. So most of the activity in this area was  
7 how can we help the one-stops and the WIBs do their jobs better.  
8 3) Increase the awareness and confidence in the system as a whole.  
9 There was very little awareness that WIA happened and the new  
10 structure with WIBs and one-stops existed. Businesses and  
11 potential workers when they had a need did not necessarily think of  
12 this as the place to get the need met. 4) Create consistent metrics to  
13 measure and reward performance in progress. It helps in  
14 assessments to have some consistency of those metrics and use  
15 them to set objectives and incentives for people in the system to  
16 move toward them. 5) To develop the capabilities of the individual  
17 key players that are a part of the system. We recognize that how  
18 well a one-stop is run depends on how good the head of that one-  
19 stop is. Similarly for Council members, our ability to provide good  
20 strategic ideas is somewhat dependent upon our knowledge of the  
21 system. We have also invested in efforts to build up individual  
22 competencies of people who play a key role, whether a volunteer or  
23 paid role.

24  
25 Chair Connelly mentioned several accomplishments to give an idea

1 of what the Council has done in different areas. As an example, a  
2 lot of effort was made in the integration and alignment arena to get  
3 workforce development and economic development to engage with  
4 each other to a much greater degree at the local level. Chair  
5 Connelly directed the members to a booklet that the Council  
6 produced. Another member discussed the contents of the booklet as  
7 being demographics across Virginia when it comes to workplace  
8 and lays out a blueprint for Virginia's workforce needs by the year  
9 2012.

10  
11 Another member made a comment on a collaborative effort on  
12 workforce economic development. In Area 2 this past quarter, the  
13 local WIB along with the economic developers and the community  
14 college system provided a workforce fair. At one of the locations,  
15 Wytheville Community College, there were over 2,000 applicants  
16 that showed up for this job fair. It was so successful that they had  
17 to extend it into a third day. The Department of Business  
18 Assistance and economic development organizations helped with  
19 the job fair.

20  
21 Chair Connelly remarked that the system is not hierarchical but that  
22 it depends on local environment strengths and can be customized  
23 for the area. This is the ideal but it is very hard to accomplish in  
24 practice. Chair Connelly pointed out a couple of charts, one on  
25 page 13 showing the type of demand expected in 2012 and what we

1 think the supply will be and the gap between the two and what will  
2 natural forces take care of and what will the Council need to help  
3 with. The second chart on page 95 showed more detail on this  
4 subject. When it comes to the local excellence arena a lot of what  
5 we worked on in this area was to create standards. This was where  
6 perhaps the ability to customize was a little too loose. We did  
7 develop some baseline standards. Their intention is to be in the  
8 realm of better practices, not necessarily best. And performance of  
9 WIBs and one-stops is measured against those.

10  
11 Awareness and Competence – a member mentioned that the  
12 marketing effort we did with the company in California did produce  
13 a pretty significant increase in awareness of what the one-stops and  
14 the workforce delivery system does in terms of recognition.  
15 Although we are not doing that at a statewide level now, we may do  
16 more marketing in the future. Some of the regional WIBs are  
17 following up on that and doing some additional marketing on their  
18 own. Part of the problem as Delegate Byron said very pointedly to  
19 this member a couple of years ago are we really sure what we're  
20 marketing, and we probably weren't. So we did try to increase the  
21 understanding of the points that we were trying to get across and it  
22 is improving.

23  
24 Metrics and Incentives – Chair Connelly discussed on how this was  
25 based on how this was done nationally in other states. We looked



1 for a shorter, simplified version of metrics that we adopted in  
2 March of last year. There are metrics that are required by each  
3 specific region and by each primary program that we look at and  
4 they offer us the opportunity to assess the local progress. But it is  
5 hard to use those metrics to determine overall progress. That is the  
6 intention of these eight metrics. We are not yet at the point we are  
7 able to use them effectively. Gathering the data is proving to be  
8 difficult. We think it is the right idea but we clearly have a lot of  
9 work to do. Some of the difficulty is at the local level in capturing  
10 the data. This leads to some systems projects which are moving and  
11 a lot of Council members are quite involved in continuing to push  
12 that forward. Our hope is that we will be able to implement what is  
13 in essence a customer management system for the one-stops so that  
14 they can better serve their customers and also capture that data and  
15 then give us that data.

16  
17 Chair Connelly discussed the incentive awards. This is an area  
18 where we under-leverage what we can do. The objective is to  
19 award performance and progress of our local WIBs. Part of the  
20 issue is how to define that and there is always a hesitancy to be  
21 almost too crisp and is that fair. How do you compare somebody in  
22 Northern Virginia versus Southwest Virginia if it is metrics that you  
23 are using? The other side is totally subjective as to who did a good  
24 job. This is an area where the Council can really add some value in  
25 terms of helping to define it and also to do some administration on

1           that front.

2

3           Key Player Effectiveness – We have sponsored various conferences  
4           and courses for members of the system, which has added to the  
5           overall confidence and capabilities there.

6

7           Chair Connelly summarized that the Council has been successful at  
8           creating some decent incremental improvements and she is proud of  
9           the work that Council members have done and pleased with the  
10          overall outcomes.

11

12          A member noted that he met with the Executive Director's  
13          Association, the people that implement the programs at the local  
14          levels and the majority of the people that were there wanted to  
15          make a contribution to our effort. They had a lot of ideas to share.  
16          One of the biggest problems that any system has is communication  
17          and trust. The member mentioned that awareness of the system by  
18          the partners, the business community, is still a problem. Some  
19          businesses remotely understand a little about it but do not know  
20          how to access the system. There is always a need for more money,  
21          of course, rewards for productivity, but once appropriations are  
22          made very little is left. Maybe we can help the local Workforce  
23          Investment Boards raise money from their local elected officials to  
24          their localities and also through 501(c)3 mechanisms. And then the  
25          other piece as we go into the retreat, I would suggest for your

1 consideration that maybe we invite some of the chairs and executive  
2 directors, not all of them because of space consideration, but try to  
3 do it by region as we evolve our strategic plan to build on the  
4 element of trust but more importantly the element of partnership. In  
5 closing the member remarked that the legislation that is going into  
6 effect July 1, collaboration across cabinet level, we are in a unique  
7 situation because the cabinet members are new to their jobs right  
8 now. They are in the process of developing their strategic plan,  
9 which many of them include workforce. So, we are positioned to  
10 move forward on this collaboration. The legislation permits me  
11 through the direction of the Governor to call a cabinet meeting of  
12 members of the cabinet that have workforce and to sit down and roll  
13 up our sleeves, identify the silos that we have and funding streams  
14 and responsibilities and see where we can cross-collaborate or even  
15 merge or maybe by merger, eliminate and bring it to one shop so to  
16 speak, a one-stop shop in state government. In closing, the member  
17 remarked that he spent a lot of time looking on the Internet looking  
18 at other state programs, there is not a perfect one out there. They  
19 are all fragmented and set up in different models. The member is  
20 trying to determine what works well. Tennessee has by legislation  
21 similar to what Virginia passed, they created a new cabinet position  
22 in charge of labor and economic development and health and  
23 human services that deal with workforce and put it into one cabinet  
24 level position. In closing, the funding is being cut and rescissions  
25 have been made to the WIBs that gives us more limitations and

1 more responsibility for raising money on the local level. And that  
2 cuts discretionary funds, which are fifteen percent of the funds sent  
3 down by the federal government. Staff is paid out of those funds,  
4 as well as the operation of the Council. This state legislation will  
5 enable us to do is work together to better serve the local level.

6  
7 Another member talked about the possibility of some of the chairs  
8 coming to the retreat and mentioned that a lot of meetings rehash  
9 the same information. This member suggested taking a trip, which  
10 has been effective for house appropriations when making major  
11 decisions, and visit some of the areas firsthand and then have  
12 discussions. Chair Connelly agreed that firsthand visits offer  
13 valuable information to Council members and suggested that  
14 members visit their local area and hopes that other meetings will  
15 offer the opportunity for site visits.

16  
17 A discussion was had whereby the 15% dollar amount was  
18 determined to be approximately \$5.6 million. Chair Connelly  
19 stated that some of this “discretionary money” has been spent with  
20 full-time employees. One of the other things the Council does is to  
21 look at the money and make recommendations to the Governor on  
22 how can we best use that to enhance the workforce system overall.  
23 In the past, there has sometimes been seed money, i.e. funds to  
24 support the first couple of years in the community college system,  
25 different incentives, specific programs such as making grant money

1 available.

2

3 Another member stated that after July 1, the workforce staff would  
4 be separated and work for the workforce Council. Currently the  
5 workforce staff works with the VEC and in July there will be a  
6 support staff for the Workforce Council probably housed at Old  
7 City Hall, the Patrick Henry Building.

8

9 Chair Connelly stated that the mission is difficult. Even though  
10 everyone agrees it is important and there is considerable resource  
11 that is applied. Fragmentation, which creates silos and  
12 competition/duplication, can be problematic. Also, local delivery  
13 systems have no authority between the state environment and the  
14 local environment causing problems driving decisions down into  
15 changes and actions at the local level. The third reason it is tough is  
16 because of the schizophrenia in defining workforce development  
17 and the broad range of customers we are trying to serve.

18

19 X. Committee Reports – Committee Chairs

20

21 Executive Committee

22 Chair Connelly stated one of the purposes is to do a detailed review  
23 of the use of the 15% discretionary funds. Not every WIB has used  
24 up all the money they have been allocated. This is not a concern  
25 during the first couple of years in a startup situation. However,

1           when it persists over many years and some areas have money that is  
2           a couple of years old, it is a problem. The question before the  
3           Committee is to determine whether that is the best use of funds or  
4           whether they should be recaptured and diverted to some other  
5           activity or program. Performance of the various WIBs was  
6           discussed and a chart was dispersed to the members.

7  
8    XI.     Governor Tim Kaine

9  
10          Governor Kaine commented on the large number of people present  
11          to tackle a very challenging, important issue for the  
12          Commonwealth. The Governor stated that he was going to offer  
13          some of his thoughts and perspectives as we go forward.  
14          Particularly as we tackle the task that the legislature has given us of  
15          creating a strategic plan for workforce development between now  
16          and December 6<sup>th</sup>. The Governor stated that he knows the  
17          Workforce Council has a retreat scheduled in early June and these  
18          discussions will create a framework for the retreat and then during  
19          the remainder of the year we will work on making that strategic  
20          plan happen.

21  
22          The Governor thanked everyone for being willing to be part of this  
23          Council. This is a topic that is tough and diffused, like trying to  
24          grab Mercury in your hand. The needs of the regions of the state  
25          are different and we've got some good regional diversity among

1           this Council. We have economic conditions that are the best of  
2           times and then challenges as well. The Commonwealth is big and  
3           complicated and we are trying to deal with important work and deal  
4           with tough challenges. The Governor views this as a heavy lifting  
5           appointment, there are some appointments that people enjoy where  
6           they do not have to do a lot of heavy lifting. This is a heavy lifting  
7           appointment and the Governor stated he appreciates all on the  
8           Council for taking on that task and those in the administration who  
9           will be supplementing the work of this Council especially his  
10          Special Advisor for Workforce Development, Mr. LeBlanc. He has  
11          served in the workforce area for a long time and embraced the  
12          opportunity with gusto. The Governor looks forward to the  
13          partnership with him, the Council and people around the state to  
14          ensure the initiatives are as successful as possible. The Governor  
15          also thanked Chair Connelly for her service to the Council and to  
16          staff members of the various agencies who have been key to this  
17          work.

18  
19          The Governor stated that he was going to offer more observations,  
20          questions, challenges along the way toward creating a strategic plan  
21          rather than laying out a vision and asking you to march in line. The  
22          Governor wanted to offer a little bit about his experience and then  
23          some observations and thoughts. In the area of workforce  
24          development, the Governor first became interested in the system  
25          when he was on City Council and then Mayor of Richmond. The

1 Governor noticed a phenomenon that maybe isn't entirely  
2 uncommon and that is that Richmond is a city with enormous  
3 workforce development needs, with an unemployment rate higher  
4 than the state's unemployment rate, people who need more skills  
5 and yet he noticed that the city's workforce development efforts had  
6 moved from pillar to post in the five years before he arrived. It was  
7 in Parks and Recreation when he came to the City of Richmond. It  
8 had been under the City Manager, it had been under the Economic  
9 Development Office, it had been a stand-alone part of city  
10 government. He stated he did not really know the reason for it but  
11 the fact that it had been in four places in a fairly short period of  
12 time told him something, which is that nobody completely felt like  
13 they owned it. A lot of people might have wanted to have a piece of  
14 it but it did not have a natural fit or there wasn't a natural fit for it in  
15 any particular place in city hall. That is a phenomenon that the  
16 JLARC study identified that is still a common phenomenon at the  
17 state level with our workforce development efforts. During the  
18 Governor's time in local government, they eventually moved  
19 toward a model where the workforce development effort was taken  
20 out of the city hall and was not part of a particular agency and was  
21 eventually privatized and away from city hall. That was not the end  
22 of the challenge even though it helped the situation. But then as we  
23 entered into a new era under the Workforce Investment Act and  
24 there were challenges and incentives to try to get people to think  
25 regionally and operate not just as 134 stand-alone cities and



1 counties. Regionally, there were a lot of challenges in the Richmond  
2 area between what we wanted to do in Richmond and what the  
3 surrounding cities and counties wanted to do and whether we could,  
4 in fact, come up with a regional program that would fairly address  
5 the needs of all. There was a lot of concern about that and as of the  
6 time the Governor left city hall in 2001, those regional concerns  
7 weren't yet completely worked out. The Governor stated that he  
8 has some experience in dealing with the structural question of how  
9 this can be set up and knowing what some of the structural  
10 challenges are within one of the three major metropolitan areas of  
11 the state.

12  
13 When the Governor came to state government as Lieutenant  
14 Governor and working with Governor Warner that was the first time  
15 he started to work with the Council. Workforce Development is  
16 critically important but we ought to be able to do better. A lot of  
17 strides were made during the Warner administration. The JLARC  
18 recommendations were taken to heart and there have been real  
19 strides in trying to tackle them and make the system a little more  
20 seamless and the Council has worked on system measures. There  
21 was also a hope that maybe there will be a magic solution or a silver  
22 bullet and structurally we will be able to get the state's entire  
23 workforce development efforts completely pointed in a single  
24 direction with everybody pulling the oar in the same way. And the  
25 Governor knows that there is a sense that we didn't quite get there

1 and there is more work to be done. Hence, the legislative initiatives  
2 and the interest in continuing to carry that effort forward.

3  
4 Shortly after coming to office, the Governor came upon a report, a  
5 funding summary prepared by the Council. He stated it is a very,  
6 very nice piece of literature but when he opened it up and it showed  
7 the system for all the workforce development programs in the state  
8 and he saw this array of different color coded programs laid across  
9 so many different agencies, the Governor stated he was confused.  
10 He recognized that the funding sources are various and come in  
11 from very different places and the needs are different and diverse in  
12 different parts of the state and yet it struck him that if somebody  
13 was wrestling with questions of do I need more skills, more  
14 training, where do I go, what does the state do, and got a hold of  
15 this and opened it up, the Governor thought this would not be  
16 enlightening so much as wow, I still don't know where to start. So  
17 this summary from 2004 in a nice illustrated form shows some of  
18 what JLARC was talking about. The Governor stated that we have  
19 a bit of a challenge in how is it rationalized, how is it drawn  
20 together and how is workforce development done in this  
21 Commonwealth in the best way to serve people and to make sure  
22 that we are using the funds that we have at our disposal the best  
23 possible way. The Governor stated that he is thrilled that the  
24 legislature is really interested in this topic because he thinks that we  
25 are more likely to make advances and structural change, measurable

1 outcomes, a clear direction if there is a clear dialog with the  
2 business community and the legislature. The legislation is an effort  
3 to continue to focus and distill our effort. And the effort we are  
4 undertaking, the state government's economic development plan to  
5 be developed by the fall, to have those informed by each other is  
6 very important and he is very excited to work with the Council on  
7 this.

8  
9 The Governor offered a few thoughts about that plan and things that  
10 he is excited about and wants to work with the Council on in the  
11 plan. The Governor asked what is the bulls-eye, what is it we are  
12 trying to hit because he finds that if you do not paint a bulls-eye  
13 then you don't know exactly where you are going. A bulls-eye  
14 orients your focus and takes you in a particular direction and also  
15 helps you become creative in how you use resources. Until you  
16 paint the picture of success and where it is you want to go, you  
17 really don't know what resources you have. And once you have  
18 made that decision, resources, grants, ideas, ways to raise funds or  
19 use money that you never thought of come to mind because you are  
20 focused on an end result. The most important question in tackling  
21 the strategic plan, the work of the Council is what is the bulls-eye  
22 we want to hit in workforce development. A bulls-eye should be  
23 clear, outcome and success measurable (not effort measurable) and  
24 easy to focus on. The number of people served is an effort measure  
25 not an outcome measure, that can be an important number to

1 determine trends but just knowing sheer numbers of people who  
2 came through the door and were served is not an outcome measure  
3 and so he wants to challenge the Council to make sure that we paint  
4 a bulls-eye that is an outcome measure for this system. By one  
5 outcome measure, the Governor stated that the unemployment rate  
6 shows that Virginia has done quite well in this area since it is one of  
7 the lowest in the United States and for large diverse states it is often  
8 a point lower than the nearest competitor. That is a positive  
9 outcome measure. State unemployment rates are averages and  
10 composed of a lot of different regions and we cannot feel satisfied  
11 that we are doing what we need to do if our average figures look  
12 good but are composed of a lot of regional subgroups and some  
13 regions aren't doing so well. The Governor continued to say that  
14 the unemployment rate has got to be a key feature to measuring  
15 success.

16  
17 Second, the Governor stated that prevailing wage levels have to be  
18 a key feature. In some areas of the state, the unemployment rates  
19 are fine but the wage levels aren't what we want to see. Those are  
20 clear outcome measures. We do not have in this Council or even in  
21 the state complete control over the outcomes but we have a  
22 significant degree of influence over the outcomes. And so, these  
23 outcome measures should be used as part of the discussion and used  
24 to some degree to measure the success of our efforts to take where  
25 we are now and set goals and move toward those goals.

1  
2 Another question to ask is what is the function of workforce  
3 development. It is basically two-fold. One, our people who need  
4 workforce development skills and training, are they able to receive  
5 it, do they know where to go, when they go there are the services  
6 available for them, do they access those services and find that those  
7 services advance their capacity or skill, does that advance in  
8 capacity and skill then lead to something positively in the  
9 marketplace. Is it a system that serves the needs of workers and  
10 people who need more skills? And it's that set of questions that can  
11 be measured and that dictate to some degree whether or not we are  
12 being successful. Two, another way to look at workforce  
13 development success is how it meets the need of employers: Do  
14 employers who need more skills among their workforce to take a  
15 level of success and raise it to the next level, are they able to find it,  
16 do they know where to go, do they find services when they get  
17 there, do the services add value and is that added value then  
18 translated into an improved bottom line and improved result able to  
19 hire more people. The bulls-eye should be looked at in two ways,  
20 services to the individual and services to employers.

21  
22 The Governor stated that he is focused because of his experience in  
23 Richmond on the issues of the Workforce Investment Boards and  
24 the one-stops. He thinks that for a worker that needs more skill the  
25 first key is do they know where to go to get it, is there a place that

1 they can go where they are aware of where there are resources for  
2 them to receive these services. A common point of access is going  
3 to be these one-stops that we have in Virginia. And the Workforce  
4 Investment Boards that are charged with oversight of these one-  
5 stops are extremely critical.

6  
7 The Governor stated that he has a set of questions about the  
8 regional efforts, WIBs and one-stops, that he knows the Council is  
9 concerned with as well. 1) In carrying out that double mission,  
10 service to individuals and service to employers, what are the  
11 measures that these one-stops are responsible for? How do we  
12 assess their performance? Once the measures are decided on, what  
13 are the targets that they have to hit? We need to have very clear  
14 expectations about that. 2) What are the consequences? What are  
15 the upside and downside consequences of reaching those targets  
16 and achieving the goals and objectives? You can have  
17 consequences as simple as publishing them to show who is meeting  
18 goals and who isn't. Putting out knowledge is a consequence. But  
19 there can be other consequences as well, funding decisions,  
20 resource utilization and manpower. What are the measures, targets  
21 and consequences in reaching the targets? 3) What are the fiscal  
22 controls? We administer sizable sums of money much of those  
23 dollars come to us as pass-throughs from federal programs. Our  
24 function here is making sure that the dollars are being used in the  
25 greatest possible way. We want the largest percentage of every

1 dollar possible to be going into direct service to employers and  
2 employees with an administrative function that is sufficient enough  
3 but that is not overly so. This is an incredibly important question.

4 4) Different models of the one-stops allows you to make some  
5 comparisons and then decide which one works the best and steer in  
6 that direction. Comparing the success rates, the measures, the  
7 consequences of the different models and deciding which are the  
8 ones that are getting the job done.

9  
10 The Governor stated that the individuals who need service are  
11 served in a number of ways. They come directly to some state  
12 agencies, but maybe for the run of the mill person who is just out  
13 there wondering where they can get more skills, these one-stops are  
14 absolutely critical to that person. The Governor wants to make sure  
15 that the right measures are in place to determine who is doing a  
16 good job, are the financial controls sufficient and what are the  
17 targets and how we should be moving forward.

18  
19 The Governor stated that he is interested also in the larger structural  
20 question that the strategic plan must address. There is not a magic  
21 answer to the structure that fewer is always better, so the Council  
22 should be organized internally to best match what the external  
23 bulls-eye is. That is why figuring out what the external measure is,  
24 is the first thing we have to do. Is this system the most rational way  
25 to deliver services in the highest quality way? Structure can be

1 looked at in different ways such as the state agencies and cabinet  
2 secretariats or regionally in a completely different way by looking  
3 at where these dollars are allocated or planning districts or broad  
4 regions of the state. Should a dollar be spent where the  
5 unemployment rate is less than the state average as easily as it is  
6 spent in an area where it is greater than the state average. We do  
7 not have complete flexibility with these dollars. Many of them are  
8 federal dollars that come with their own programs attached but to  
9 the extent we do have flexibility in the way we spend money one  
10 way to approach the structural question is to use the unemployment  
11 data and the wage data to focus on the parts of the state where we  
12 feel like we are weakest and try to maximize dollars going to the  
13 part of the state where we have the most to do. Where we have the  
14 flexibility we should use it in the higher need parts of the state.

15  
16 The Governor remarked that his comments are not a vision but  
17 questions and challenges instead. He feels this is a very important  
18 area and is proud of what we are doing in Virginia – unemployment  
19 statistics, business friendly legal and regulatory environment, low  
20 tax burden. We can be proud of this but none of us have gotten  
21 where we are by confusing pride with complacency.

22  
23 The Governor stated that he is excited to be working with the  
24 Council and excited to have Mr. LeBlanc on board and to have  
25 Chair Connelly staying in as Chair. We have come a long way



1 using external indicators and objective measures suggest that. He is  
2 convinced we can do so much more. This presentation is very  
3 similar to what the Governor has given cabinet and agency heads.  
4 Every agency will have very clear measurable outcome goals by  
5 July 1<sup>st</sup> that they would feel comfortable advertising to the world on  
6 their own web pages as well as their progress against their goals.  
7 The Governor is wrestling with a set of four or five goals himself  
8 that are big picture goals for the administration such as the one  
9 dealing with the preservation of open space and probably another  
10 one dealing with education will be announced later in the week.  
11 The Governor believes that Virginia is managed well internally and  
12 in the future we will make our greatest strides managing by external  
13 results and outcome measures. The Governor challenged the  
14 Council to work on the strategic plan and get it done early. He  
15 thanked the Council for the opportunity to speak about the  
16 importance of this mission and opened up for questions.

17  
18 A member asked the Governor about federal funding. The  
19 Governor replied that there are two issues in the federal funding  
20 side. First is the amount of dollars and the second is whether they  
21 are block granted or whether they are segregated at all. Just on the  
22 amount of dollar side, our congressional delegation fights for every  
23 last penny for us to get as much as they can yet the reality is the  
24 federal government is in a sizeable deficit position. There are very  
25 few areas in the broad human services area that aren't subject to

1       some significant cut possibilities in future years. None of our plans  
2       or strategic planning can assume great growth in federal dollars. If  
3       there is growth it should be a pleasant surprise but we should not  
4       plan for growth and have an unpleasant surprise when it is not  
5       there. The second question deals with the possibility in looking at  
6       all the different federal funding sources because the state map is  
7       kind of an equivalent of a federal map and there is federal monies  
8       coming from a lot of different pots also that flow into this. Would  
9       there be a way to put those together and give governors and states  
10      more flexibility? The Governor stated that he believes some block  
11      granting is not a bad idea because states having flexibility can be  
12      very important. Block grants are sometimes an attempt to dress up  
13      the fact that dollars are being reduced. There are certain kinds of  
14      programs, particularly programs for the most vulnerable  
15      populations – the disabled, low-income – that he likes being  
16      segregated because that way you know they are not going to be  
17      pulled away for a more politically popular use. If the federal  
18      government converted every dollar to a block grant approach, the  
19      Governor has no doubt that the Council would be able to use those  
20      dollars appropriately to meet the needs of Virginians.

21  
22      Another member commented to the Governor about the large  
23      amount of adult Virginians who do not have a high school diploma.  
24      The Governor agreed that this would make a good bulls-eye and  
25      the structural question could be who are the hardest folks to serve

1 and what are the ways we could structure what we do to most  
2 advance their capacity. The people who are less hard to serve might  
3 be able to navigate the system easily and be persistent enough to  
4 find the right information.

5  
6 Delegate Byron commented that many of the Council felt that we  
7 would need a champion for the workforce issue and to bring reform  
8 and she looks forward to working with the Governor and Mr.  
9 LeBlanc to bring true reform to workforce training. The Governor  
10 stated there may be some things we can do even with a possible  
11 pilot project in connection with the Ford plant closing.

12  
13 Mr. LeBlanc stated that when he, Secretary Gottschalk and  
14 Commissioner Esser were returning from the Norfolk Union Hall  
15 the Governor said that he wanted Plan A and B on his desk within  
16 three days. So, this was a beacon for the horizon. Mr. LeBlanc  
17 stated that the staff that supports the Workforce Council has  
18 evolved the agenda and support documentation and aided and  
19 assisted him in providing good concrete answers to the questions  
20 that the Governor presented today.

21  
22 The Governor pledged all his efforts to make sure that the outcome  
23 is positive for all of Virginia. Chair Connelly thanked the Governor  
24 for joining the Council meeting.

25

1   XII.     Committee Reports – Committee Chairs (continued)

2

3           Executive Committee (continued)

4           The council members will get a copy of the performance reports  
5           from the various areas. There are a couple of areas that are under-  
6           performing and we are working on helping them to understand why.

7           We have contracted with the Urban Institute to help us do some  
8           objective assessments of WIBs and one-stops versus self-reporting.

9           Mr. Dreyfus stated that a status report will be completed by the  
10          June meeting with the final report due at the end of the year. The  
11          committee worked on defining the workforce system as shown in  
12          the presentation. The committee worked on the idea of formalizing  
13          professional development for workforce developers and creating a  
14          certification, for which an RFP has been done.

15

16          Mr. Dreyfus stated that if you deal with employers or employees  
17          you are part of the workforce system. A lot of programs deal with  
18          lifelong learning and that whole span of educational and training  
19          opportunities is part of the system. In the past, we focused on WIA  
20          and the chart but there are other areas that we need to look at that  
21          are part of that system. On metrics and incentives there are six  
22          programs that are going to be part of the initial implementation  
23          phase. These programs are job services and WIA Title one for the  
24          VEC, the rehab services from VRS, TANIF and VIEW from the  
25          Department of Social Services, adult education and literacy from

1 the Department of Education, and post-secondary career and  
2 technical education from the VCCS. There is a state agency task  
3 group assisting the Council in planning for implementation. Those  
4 members who were at the meeting stood and were recognized. To  
5 get these groups to talk to each other there is an MOU between the  
6 Secretary of Commerce and Trade, Health and Human Resources  
7 and a draft MOU will be presented to the different Secretaries  
8 shortly. A meeting will be needed with these Secretaries to discuss  
9 the MOU, which is important because state statutes may cause  
10 difficulties in sharing information or have other issues, with the  
11 idea to create a centralized data repository used for analysis. A  
12 dashboard presentation will be made at the June 8<sup>th</sup> retreat.

#### 14 Reaching the Hard to Serve

15 Chair Ricks discussed visiting six one-stops with Delegate Byron  
16 and discussed a document which included recommendations on  
17 reaching the hard to serve and raised some questions. These people  
18 need the Council's assistance even during times of war and when  
19 they are working they do not have time to do other things less  
20 valuable to society. The members of the committee stood to be  
21 recognized. Chair Ricks recommended that this task force continue  
22 and thanked the Council for the opportunity. Chair Connelly  
23 requested that Chair Ricks communicate any key recommendations  
24 to the Council to be presented to the Governor.

### Integration & Alignment

The Committee Chair discussed that many are anticipating a skills shortage in the future with the graying of the workforce. He stated there are some challenges confronting employers in the employee skill sets and their ability to obtain them. This committee looked forward to 2012. He also stated that he believes the best information comes from state agencies because of the resources available. The Chair requested that Don review the document. Don discussed the unemployment rates in the publication. The Virginia Workforce Council charged the Blueprint Task Force under Dan LeBlanc with the task of putting together a Workforce Development Blueprint for the state. This was a collaborative effort of the Council, the Economic Development Partnership, community college system, Department of Labor and Industry, Fletcher Mangum of Mangum Associates along with the Virginia Employment Commission. The report provides occupational data and an executive summary is the first two pages of the document. The three occupational groups with the largest number of openings are office and administrative support, sales and food preparation. The largest occupational gaps tend to be in accounting, computer education and healthcare related occupations. This report helps prepare for the future by highlighting demand driven occupations. The workgroup recommends agency coordination at the regional level, the development of workforce strategies.

1           Local Excellence

2           Chair Andrea Wooten was not present. Chair Connelly stated that  
3           Chair Wooten has been really engaged in ensuring that the system  
4           efforts, technology efforts, that are needed both happen and happen  
5           with a lot of engagement between the state infrastructure and the  
6           local environment users.

7  
8  
9   XIII.   Update on the Career Readiness Certificate – Gloria Westerman

10  
11          Ms. Westerman stated the community college system has been  
12          charged by the Virginia Workforce Council to administer the  
13          certificate. The Career Readiness Certificate (CRC) is an  
14          assessment-based credential that gives employers and career  
15          seekers a uniform measure of key workplace skills. Over 300  
16          employers use the Work Key system in Virginia or the CRC. CRC  
17          partnerships are extremely important and they have grown and have  
18          proven to work. They are between businesses, WIBs, one-stops, the  
19          Employment Commission, community colleges and other state  
20          agencies. Ms. Westerman pointed out the locations of the partners  
21          that offer the Work Key system partners on a map.

22  
23          Statewide initiatives that we have started to disseminate the  
24          Certificate more throughout the state include some apprenticeship  
25          related instruction coordinators who use the assessment as a useful

1 tool to inform instructors to help apprentices get through related  
2 instruction. Since January 2006, the Department of Corrections has  
3 given the CRC to 400 inmates and of those 400 most of them are  
4 gold and silver. The Virginia Skills Bank is where these skilled  
5 Virginia workers are connected to employers and other people  
6 within the state. It is a query-able database showing the CRC and  
7 the skill levels of Virginia's workers by region and locality. We are  
8 in Phase II of the ongoing development of the database and the  
9 Council's support is very essential to this program. The website is  
10 CRC.Virginia.gov and we are part of a consortium who have full  
11 implementation of the CRC in the state, where Virginia is the  
12 leader. In further development, we are looking to put up  
13 testimonials, return on investment studies to be able to show for  
14 employers how this could be used and why it is useful to them. The  
15 total number of individuals who took all three assessments for the  
16 CRC is 7,794 as of 5-1-06. Ms. Westerman demonstrated the  
17 database. Phase II includes developing enhanced security  
18 protections for personnel data, improving efficiency and response  
19 times (completed), developing the capability for administrators to  
20 list job profile information along with desired skill level for each  
21 assessment (ongoing), developing capabilities for administrators to  
22 be able to query the database by sponsor or company (completed)  
23 and developing a link to the web page that provides contact  
24 information for each locality (ongoing). We also have completed  
25 the mission to research, identify, purchase and configure and host



1 and maintain a database server for this phase and for the future.

2

3 There will be six VCCS Workforce Development Regions meetings  
4 to bring in the experts involved with the CRC and to ask them to  
5 come and educate the people in the region but also to help with the  
6 business in those regions, focusing on the small businesses since  
7 large companies are easy to sell this system to. The three leading  
8 employers from every one of those six regions are going to be  
9 present at the meetings.

10

11 A member questioned whether the economic development people  
12 are using the CRC as a part of their marketing in their brochures.  
13 Ms. Westerman stated that there is an uneven response across the  
14 state. In some areas it has been very active and they are very  
15 involved and in other areas not so much.

16

17 Chair Connelly stated that the Council needs to create a self  
18 generating network effect and once it starts to happen it will make  
19 this valuable. Ms. Westerman stated that other states imitate  
20 Virginia's use of the database in addition to trying to purchase the  
21 first phase that has been completed on the database.

22

23 XIV. Center for Workforce Preparation for the U.S. Chamber of  
24 Commerce – Karen Elsney

25

1 Ms. Elsney stated that their mission is to focus on workforce and  
2 education and the reason that she was there was to discuss the  
3 National Work Readiness Credential, which several states are using  
4 across the country. This is a national, portable credential to define,  
5 measure and certify that job seekers have the necessary skills for  
6 entry-level work. Entry-level work is defined as being non-  
7 professional and non-managerial. This credential was defined for a  
8 very specific audience and not meant for widespread usage. The  
9 reason it was developed was for the business community as a result  
10 of several studies that were done that showed that finding and  
11 retaining entry-level workers was becoming very difficult for  
12 employers.

13  
14 This process began with four states that developed this credential,  
15 Florida, New Jersey, New York and Washington, who joined with  
16 the National Institute for Literacy. After that Washington D.C.,  
17 Rhode Island and JA Worldwide (formerly Junior Achievement)  
18 also invested monies in this credential. In addition to the investors  
19 there is a national set of advisors to inform the business community  
20 about it – National Association of Manufacturers, National  
21 Governors Association, and Retail Federation Foundation among  
22 others. In 2003 research was done and afterwards it was vetted  
23 with representatives of business, state and local chambers of  
24 commerce and industry associations. As a result a profile was  
25 developed.

1  
2 Ms. Elsney referred the Council to a handout outlining the skills  
3 assessed and another handout that shows industry standards by  
4 sector. The profile was based on the Equipped for the Future  
5 profile, which was a profile of adult basic education used in about  
6 42 states that says new workers should be able to identify and have  
7 skills with communication, interpersonal, decision-making and life-  
8 long learning and use those skills to perform specific tasks  
9 necessary for success in an entry-level position.

10  
11 The assessment is on-line and is comprised of four modules –  
12 reading, mathematics, situational judgment (employability or soft  
13 skills) and the ability to speak and listen in English. Each  
14 computer-delivered test is about 30 minutes in length (about 2-2½  
15 hours total if all done at one time) with no special proctors required,  
16 and the test can be administered anywhere there is high-speed  
17 Internet access. When all four modules are passed within 30 days,  
18 the credential is earned and is either a work-ready credential or  
19 needs more skill development to become work-ready. It shows  
20 where you could use skill development and how to target that  
21 development in the public system or a training provider.

22  
23 Ms. Elsney stated that we have some unique advantages as far as  
24 defining a standard of readiness specifically for entry-level work  
25 and this fits in very nicely with Work Keys and the Career

1           Readiness Certificate. This is not viewed as competition because it  
2           focuses on a lower level. There are non-high school graduates who  
3           may be qualified for entry-level work but who do not have any  
4           basis for certification. This is the first rung on the skill assessment  
5           ladder and creates a set of tools that employers can choose from as  
6           they look to identify the skills necessary for their workforce. Ms.  
7           Elsney stated some of the other unique advantages – the first rung, a  
8           tool for employers and a tool for accountability for the training  
9           providers within the public workforce system. There is no grade  
10          level assigned to this system because it is competency based and  
11          whether someone came here from another country and left school at  
12          the sixth or seventh grade or dropped out in 10<sup>th</sup> grade, their  
13          competencies are being assessed. The reading component is the  
14          only module that tests reading and all other parts of the assessment  
15          there is an audio component so that mathematics is testing  
16          mathematics not the person's ability to read.

17  
18          Based on the Equipped for the Future Standards it facilitates  
19          instruction and learning and also supports the need for ongoing skill  
20          development. It draws on performance indicators from the  
21          Department of Labor's ONET system and is a good foundation  
22          level before people move on to other certifications, including  
23          occupational certifications. Ms. Elsney showed a slide illustrating  
24          the standards for adult learners.

1 Ms. Elsney stated that this program is unique because it has been  
2 developed through a public/private partnership. It was designed by  
3 SRI, formerly the Stanford Research Institute, as well as HUMRO,  
4 who has done a lot of assessments for the military and the Center  
5 for Applied Linguistics at the University of Tennessee at Knoxville.  
6 One of the key factors is program accountability and that provides  
7 a good fit as programs are working to become more demand driven  
8 and employer responsive. This project was started in 2002. Pilot  
9 testing was completed in April of 2005 and we have begun the  
10 design of the credential delivery system and are now in the process  
11 of starting a soft launch of this project in August with a national  
12 release in January of 2007.

13  
14 The soft launch is to work out all the kinks and bugs of technology  
15 and because this is one of the first times this type of assessment will  
16 be offered in so many different locations. The field tests were  
17 carried out in 28 sites in states that were those other than the ones  
18 who invested. The analysis from the field tests was just completed  
19 and we are finishing the operations. The National Work Readiness  
20 Council incorporated in Washington, D.C. will be administering this  
21 work readiness credential and is in the process of searching for an  
22 Executive Director to be in place by this summer. The Board is  
23 comprised of the investing states as well as Junior Achievement and  
24 they are setting up the administration and bringing on an assessment  
25 vendor, which will be announced next month. The goal is to

1           finalize the instruments and administrative procedures. More than  
2           fifty percent of job growth occurs in small businesses and they can  
3           administer the assessment on site. Ms. Elsney stated that she is  
4           willing to send any documentation and answer any questions.  
5           There is information on the U.S. Chamber's website along with  
6           monthly updates on the status.

7  
8           Chair Connelly asked Ms. Elsney about the difference between the  
9           Career Readiness Certificate and the National Work Readiness  
10          Credential. Ms. Elsney stated that they are at two different levels.  
11          We are talking about much, much lower foundation skills and  
12          looking at speaking and listening in English and the situational  
13          judgment and employability skills. When SRI did the research,  
14          they looked at over 60 different assessments for entry-level work  
15          with the hope of going out and taking an assessment and combining  
16          something already existing but they didn't feel that the population  
17          that they wanted to target had anything available at that low level.  
18          This was developed for people with no high school diplomas and  
19          who might not have work history.

20  
21          A member questioned the cost of taking this test. Ms. Elsney stated  
22          that it has not been assessed yet but this will be done by the end of  
23          June once the assessment vendor is in place. We are looking at it to  
24          be an inexpensive cost because it was the public system that put the  
25          initial money in to develop this and they realize they are going to be

1           one of the main consumers of this system.

2

3           Chair Connelly asked how the cut scores were figured out and what  
4           the resulting percentage of passes was. Ms. Elsney said the cut  
5           scores were determined by focus groups with supervisors of current  
6           entry level employees. The business community that sat down  
7           through a two-day process and went through the tests themselves  
8           and determined what they wanted the cut scores to be. Right now  
9           the pass rate would be about one in four. Employers told us their  
10          current hires were about one in eight. The people who did the pilot  
11          test were those who had been in entry-level work for six months or  
12          less or who are currently enrolled in a training program.

13

14          A member asked about comparing to existing assessments. Ms.  
15          Elsney said she would provide a list of research that was done in  
16          terms of comparison to existing assessments. The states that  
17          invested in it felt that there was a need to develop a new test.

18

19   XV.    Council Member Comments

20

21          The staff passed out financial reports that the local WIBs are going  
22          to be putting together. There was a state audit done in Iowa that  
23          uncovered some high salaries that were paid to some people that  
24          were getting WIA funding and that has risen to the national level.  
25          Consequently, federal investigators are launching what they

1 consider an investigation of every single WIB in the United States.  
2 They are asking for salaries, bonuses and benefits paid to the  
3 directors and board members at the 600 local WIBs. In the past we  
4 have done this in an aggregated format, but now the federal  
5 government is asking for detailed information. This information  
6 will have to be provided to this Council or to a committee of this  
7 Council and will be ready for any investigation that is done in the  
8 state. Chair Connelly asked that in the standards/guidelines that  
9 were developed for WIBs whether the fiduciary responsibility was  
10 clearly spelled out. The staff stated that she believed so. Mr.  
11 LeBlanc stated that in Iowa there was a \$330,000 COLA adjustment  
12 for a provider of services to the local WIB. Senator Harkin of Iowa  
13 introduced an amendment to the budget that no one would be paid  
14 that works in the system more than \$165,000 per year, level two  
15 federal executive standing.

16  
17 Chair Connelly discussed the June retreat on June 7<sup>th</sup> and 8<sup>th</sup> in  
18 Virginia Beach. It starts with additional orientation for new  
19 members or old members that need a tune up. Dinner and a little bit  
20 of socializing and start the retreat that evening. The next morning  
21 we will continue and have the retreat go through noon. And then  
22 maybe another business meeting if necessary. Chair Connelly  
23 requested that any input the members have about the off-site be  
24 given by the end of the week.  
25



1 Chair Connelly stated that we want to work on a potential  
2 framework and support the Governor's agenda and suggested a  
3 slightly different committee structure. Instead of the current  
4 committees that we have, we're suggesting that we define four. The  
5 first one would be how do you make the system more effective –  
6 improve overall capacity and capabilities of the system. The second  
7 would be focused more on the local delivery system – how do we  
8 improve the performance of the local delivery environment. The  
9 third would be performance and accountability – how do we  
10 measure specific WIB performance and how do we tie that together  
11 with a system of rewards and accountabilities. The fourth would be  
12 about skills – how do we focus on specific segments of workers or  
13 potential workers and are there programs that need to be designed at  
14 the state level that would enhance their ability to acquire skills, are  
15 there any places where we know there are going to be gaps and are  
16 there statewide programs that could be developed and put in place  
17 that could help that.

18  
19 A member asked the numbers of individual training accounts that  
20 regional WIBs would award and whether that information would be  
21 available at the retreat. Staff stated that the information that they  
22 had would be brought to the retreat. Chair Connelly stated that we  
23 only have access to a part of what each individual WIB actually  
24 ends up with so we can track the WIA money and a few other  
25 pieces, but there are some other things that WIBs do where we

1 cannot get a very comprehensive point of view.

2

3 Chair Connelly stated that everyone will get a copy of the last  
4 annual report and pointed out an item of monies spent per person  
5 served. And she requested that the JLARC report or a summary be  
6 sent also.

7

8 A member stated that by statute the Governor is required to produce  
9 his strategic plan for economic development within one year of  
10 taking office and it is very likely that one significant portion will be  
11 addressing workforce. This is a dovetail opportunity for the  
12 Council. He also stated that the Secretary of Commerce and Trade  
13 is very focused on the workforce issue and will be part of the  
14 strategic plan and he looks forward to the dialog and input of the  
15 Council to meet those workforce needs over the next four years.

16

17 Chair Connelly adjourned the meeting.

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CERTIFICATE OF THE COURT REPORTER

I, Medford W. Howard, Registered Professional Reporter  
and Notary Public for the State of Virginia at large, do hereby certify that I  
was the court reporter who transcribed the proceedings of the **Virginia  
Workforce Council meeting held on Tuesday, May 9, 2006 at The  
Virginia Housing Development Authority in Richmond, Virginia.**

I further certify this is a true and accurate transcript to the  
best of my ability to hear and understand the tapes.

Given under my hand this \_\_\_\_th day of May, 2006.

1

2

3

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Medford W. Howard

4

Registered Professional Reporter

5

Notary Public for the State of Virginia at Large

6

7

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9 My Commission Expires: October 31, 2006.